

Vermont Payment for Ecosystem Services and Soil Health Working Group

Summary of Meeting #25: April 19, 2022

More detailed information, including presentation slides and the meeting recording can be found at <https://agriculture.vermont.gov/pes>.

Introduction

The Payment for Ecosystem Services (PES) and Soil Health Working Group held its twenty-fifth meeting on April 19, 2022. The objectives of the meeting were to review potential program objectives and elements, brainstorm potential program goals, review the Working Group's procedures for decision-making, and hear public comment.

Summary of discussion

The Working Group reviewed [draft program objectives](#) prepared by CBI. The document outlines several ecosystem services to be produced, focal points, eligibility, program phasing, elements, tools, payments, and a pilot development process. Key feedback from Working Group members included that –

- The ecosystem services to be produced should be ranked in terms of priority and reframed in terms of their intended outcomes
- The Working Group will need to consider how to avoid adverse selection (farmers enrolling only their best fields) if whole farm is not the focus
- The Working Group will need to consider ways to narrow down eligibility for the pilot phase
- The Working Group should discuss the pro's and con's of having AAFM as program administrator vis-à-vis other entities (such as conservation districts)
- The Working Group should clarify if there is consensus around paying for outcomes (as opposed to practices)
- It is important to distinguish between research for program analysis and research for furthering innovation
- The CASH test as is may not work well for Vermont and may need to be tailored somewhat for the pilot phase
- Farmer observation should be considered as a tool (as demonstrated in the California approach)
- The models proposed (whether process-based or empirical) should be applicable or tailored to Vermont
- Public engagement could be an element of the program to help the public understand how ecosystem services benefit their quality of life
- The Working Group should come to consensus around whether the goal of the program is to produce ecosystem services in a cost-effective manner or to help provide a livable wage to farmers
- It will be important to have a plan for ensuring farmers can be engaged during farming season

Afterward, the Working Group engaged in a brainstorming exercise around high-level goals for the program. Members ranked their top 3 high-level goals, which are collated in [Appendix A](#).

The project team and CBI will revise the program objectives based on feedback received from Working Group members and distill the program goals for review by the Working Group at the next meeting.

Afterward, the Working Group reviewed the decision-making procedure from its [Operating Procedures \(revised in April 2021\)](#). Key takeaways were that –

- The goal of the Working Group is to reach consensus, recognizing that not all members will be equally satisfied with the outcome.
- Consensus is defined as unanimous concurrence of the members after Working Group discussion ... Consent means that members can accept, even if reluctantly, the agreement that emerges.
- For *developing final recommendations and a report*, the Working Group may report out areas of agreement and disagreement on their final recommendations if consensus on all recommendations is not reached.
- The Working Group will note if agreement was not reached due to incomplete information or uncertainty, and what information would be needed to reach a decision.

The meeting was adjourned at 1:30 PM.

Appendix A – Program Goals Brainstorm

Ranked Verbatim Comments

- 1st
 - Create conditions that lead to a fully functioning landscape in VT
 - Achieve desired environmental concerns
 - Compensate VT farmers for providing ecosystem services from enhanced soil health
 - Compensate farms for achieving a high level of environmental stewardship relative to their peers
 - Encourage farmers to implement practices which improve soil health and water quality and result in a number of ecosystem services
 - Restore wetland and upland habitats to improve wildlife connectivity and diversity. Ensure that it benefits species specific to that geographic area
 - Achieve maximum level of soil health on VT farms through widespread adoption of Soil Health Management Systems
 - Improve soil health, enhance crop resilience, increase carbon storage and stormwater storage capacity, and reduce agricultural runoff to waters by supporting agricultural producers ability to be environmentally and economically sustainable
 - That our program actively supports farmers in restoring ecosystem functionality (as opposed to just improving the health of their soil or sequestering carbon)
 - Pay for Bundled Services
 - To pay for and incentivize outcomes from farming that support the broader ecosystem (wildlife, insects, soil biology, etc.)
 - Decide what three to five metrics should and can (feasibly) be measured on farms that are clearly and directly linked to specific quantifiable ecosystems services
 - Definition of soil health and measurement criteria
- 2nd
 - to provide an alternative funding stream for farmers which also benefits society at large through resulting ecosystem services
 - Create conditions for farmers and other people to become deeply curious about, whole systems landscape function, and engaged in processes related to it
 - Provide farmers with information about ecosystem services on their farms
 - to help farmers change practices
 - Ensure a living wage for all farmers (and farm workers) who adopt SHMS
 - reduce "us and them" understanding of farmers/ environmentalists
 - That farms of all types and scales are excited to participate and see improvements to their operations from being part of the program
 - Promote Soil and Plant Health
 - Supplement existing Programs
 - to increase understanding of and appreciation for the value of agriculture to the state overall
 - Establish consumers' WTP and Farmers' WTA

- Use farmers', administrators', and TA providers' time efficiently
- To pay for and incentivize farming outcomes that reduce carbon emissions/ store carbon and help alleviate the climate crisis
- 3rd
 - Create conditions for long term food and water security, climate stability, health and thriving of all species in Vermont, in ways that inspire other regions to do the same
 - That the success of this program helps the public understand the critical role of farmers in developing healthier landscapes
 - Create incentives for farms that are not currently in line with the RAPs
 - to track how these changes improve environmental concerns
 - provide incentives to encourage edge of field and whole farm practices
 - improve rural livelihoods
 - Establish standards for farmers to achieve soil health
 - Support long-term sustainability of Vermont's farms and natural environment
 - Limit administrative/overhead costs
 - Extend soil health practices to other sectors---forest, wetland, municipalities, etc.